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HOUSE BILL 376

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Jose A. Campos

AN ACT

RELATING TO COUNTIES; AMENDING THE SMALL COUNTIES ASSISTANCE ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 4-61-2 NMSA 1978 (being Laws 1982, Chapter 44, Section 2, as amended) is amended to read:

"4-61-2. DEFINITIONS.--As used in the Small Counties Assistance Act:

A. "adjustment factor" means a fraction, the numerator of which is the net taxable value of the state for the property tax year prior to the year in which the amount of small counties assistance is being determined and the denominator of which is the net taxable value for property tax year 2002; the adjustment factor shall be calculated without reference to assessed value determined pursuant to the Oil and

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1 Gas Ad Valorem Production Tax Act, assessed value determined
2 pursuant to the Oil and Gas Production Equipment Ad Valorem Tax
3 Act or taxable value determined pursuant to the Copper
4 Production Ad Valorem Tax Act:

5 ~~[A.]~~ B. "ceiling valuation" means:

6 (1) for the 2002 property tax year, one
7 billion four hundred million dollars (\$1,400,000,000); and

8 (2) for each subsequent property tax year, an
9 amount equal to the product obtained by multiplying one billion
10 four hundred million dollars (\$1,400,000,000) by ~~[a fraction,~~
11 ~~the numerator of which is the total valuation for the state for~~
12 ~~that property tax year and the denominator of which is the~~
13 ~~total valuation for the state for the 2002 property tax year]~~
14 the adjustment factor for the year;

15 ~~[B.]~~ C. "demographer" means the bureau of business
16 and economic research at the university of New Mexico;

17 ~~[C.]~~ D. "population" means the official population
18 shown by the most recent federal decennial census or, if there
19 is a change in boundaries after the date of the census,
20 "population" for each affected unit shall be the most current
21 estimated population for that unit provided in writing by the
22 demographer; provided that after five years from the first day
23 of the calendar year of the most recent federal decennial
24 census, that census shall not be used, and "population" for the
25 period from that date until the date when the next following

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1 official final decennial census population data are available
2 shall be the most current estimated population provided in
3 writing by the demographer;

4 ~~[D-]~~ E. "qualifying county" means a class B, class
5 C or first class county that has:

6 (1) for the property tax year in which any
7 distribution under the Small Counties Assistance Act is made to
8 the county, imposed a property tax rate for general county
9 purposes pursuant to Paragraph (1) of Subsection B of Section
10 7-37-7 NMSA 1978 as limited by Section 7-37-7.1 NMSA 1978 of at
11 least eight dollars eighty-five cents (\$8.85) per one thousand
12 dollars (\$1,000) of net taxable value;

13 (2) by July 1 of the property tax year in
14 which any distribution under the Small Counties Assistance Act
15 is made to the county, received a written certification from
16 the director of the property tax division of the taxation and
17 revenue department that the county assessor of that county has
18 implemented an acceptable program of maintaining current and
19 correct property values for property taxation purposes as
20 required by Section 7-36-16 NMSA 1978 or has submitted to the
21 director an acceptable plan for the implementation of such a
22 program;

23 (3) on July 1 of the year in which any
24 distribution under the Small Counties Assistance Act is made to
25 the county, a population of not more than forty-eight thousand;

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1 (4) imposed all county gross receipts tax
2 increments authorized pursuant to Section 7-20E-9 NMSA 1978 and
3 has those increments in effect on July 1 of the year in which a
4 distribution is made, provided that the county's valuation for
5 property taxation purposes exceeds [~~two hundred million dollars~~
6 ~~(\$200,000,000)~~] two hundred thirty million dollars
7 (\$230,000,000) multiplied by the adjustment factor for the
8 year; and

9 (5) a total valuation for the property tax year
10 preceding the year in which a distribution pursuant to the
11 Small Counties Assistance Act for that county is to be made
12 that is no greater than the ceiling valuation for that property
13 tax year; and

14 [~~E-~~] F. "total valuation" means the sum for a
15 jurisdiction for a property tax year of the net taxable value
16 determined pursuant to the Property Tax Code, the assessed
17 value determined pursuant to the Oil and Gas Ad Valorem
18 Production Tax Act, the assessed value determined pursuant to
19 the Oil and Gas Production Equipment Ad Valorem Tax Act and the
20 taxable value determined pursuant to the Copper Production Ad
21 Valorem Tax Act."

22 Section 2. Section 4-61-3 NMSA 1978 (being Laws 1982,
23 Chapter 44, Section 3, as amended) is amended to read:

24 "4-61-3. SMALL COUNTIES ASSISTANCE FUND--DISTRIBUTION.--

25 A. The "small counties assistance fund" is created

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1 within the state treasury.

2 B. On or before September 1, 2003 and on or before
3 September 1 of each subsequent year, the demographer shall
4 certify in writing to the department of finance and
5 administration the population of the state and of each county
6 as of June 30 of the year.

7 C. On or before September 15, 2003 and on or before
8 September 15 of each subsequent year, the secretary of finance
9 and administration shall certify to the state treasurer with
10 respect to each qualifying county:

11 (1) its population as certified by the
12 demographer;

13 (2) its total valuation for the preceding
14 property tax year; and

15 (3) the distribution amount calculated for it.

16 D. The distribution amount for each qualifying
17 county shall be determined for 2003 and each subsequent year in
18 accordance with the following table; provided that the bracket
19 amounts in the first two columns of the table shall be adjusted
20 annually after 2003 by the ~~[same fraction used to adjust the~~
21 ~~ceiling valuation pursuant to the provisions of Paragraph (2)~~
22 ~~of Subsection A of Section 4-61-2 NMSA 1978]~~ adjustment factor.

23 If the county's total valuation for the preceding property
24 tax year is:

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| | | | | |
|----|----------------------------|----------------------------|---------------------------------|--------------|
| 1 | at least: | but less | and the county | then the |
| 2 | | than: | population is: | distribution |
| 3 | | | | amount is: |
| 4 | \$ 0 | \$100,000,000 | under 4,000 | \$250,000 |
| 5 | \$ 0 | \$100,000,000 | over <u>at least</u> | \$225,000 |
| 6 | | | 4,000 | |
| 7 | \$100,000,000 | [\$210,000,000] | under 12,000 | \$150,000 |
| 8 | | <u>\$230,000,000</u> | | |
| 9 | \$100,000,000 | [\$210,000,000] | over <u>at least</u> | \$100,000 |
| 10 | | <u>\$230,000,000</u> | 12,000 | |
| 11 | [\$210,000,000] | \$1,400,000,000 | under 48,000 | \$ 45,000. |
| 12 | | <u>\$230,000,000</u> | | |

13 E. If the balance in the small counties assistance
14 fund as of the preceding August 31 is less than the sum of the
15 distributions to be made to qualifying counties, the department
16 of finance and administration shall reduce each qualifying
17 county's calculated distribution by a percentage computed by
18 dividing the amount by which the fund is insufficient by the sum
19 of all the calculated distributions and shall certify the
20 reduced amounts as the qualifying counties' distributions.

21 F. Any interest accruing from the temporary
22 investment of the small counties assistance fund shall be
23 credited to the general fund.

24 G. On or before September 30, 2003 and on or before
25 September 30 of each subsequent year, the state treasurer shall

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1 distribute to each county for whom a distribution has been
2 certified for that year the amount certified for that county for
3 that year. If the balance in the fund as of the preceding
4 August 31 exceeds the amount to be distributed, the difference
5 shall revert to the general fund.

6 H. If any date specified in Subsection B, C or G of
7 this section falls on a Saturday or Sunday, any action required
8 to be performed as provided in those subsections is timely if
9 performed on the next day that is not a Saturday or Sunday."